



**CALIFORNIA
HIGH-SPEED RAIL
AUTHORITY**

**BOARD MEETING MINUTES
(DRAFT) June 2, 2011
Sacramento City Council Chambers
Sacramento, California**

The public meeting of the California High-Speed Rail Authority was called to order on June 2, 2011 at 10:04 am at Sacramento City Hall.

Members Present: Curt Pringle, Chairman
 Thomas Umberg, Vice-Chairman
 Tom Richards
 Matt Toledo
 Bob Balgenorth
 Russell Burns
 Jim Hartnett
 David Crane

Member Absent: Lynn Schenk

Pledge of Allegiance:

The pledge of allegiance was administered by Member Hartnett.

Agenda Item #1 Public Comment

An opportunity for public comment was provided. Positive support for High Speed Rail was voiced. There was also deep concern conveyed from landowners in Kings County.

Agenda Item # 2 – Approval of Meeting Minutes

Member Toledo moved to approve minutes from the May 5, 2011 meeting; seconded by Mr. Umberg. Motion passes. (8-0)

Agenda Item # 3 – Legislative Update

Chairman Pringle discussed that Mr. Barker had provided a modified legislative update of stances and those issues will be presented before the Executive/Administrative Committee at next month's meeting.

Mr. Crane made the suggestion that it may not be in the Authority's best interest to take a position in opposing SB 517, but rather take a neutral stance. Chairman Pringle requested to CEO van Ark that the legislative update again be on the agenda for the Executive/Administrative Committee and have the Committee review its positions at their next meeting. If there is then a discussion of the Committee and subsequently the Board in terms of changing positions, they should then provide a perspective.

Public comment was provided for this agenda item.

Agenda Item # 4 – Election of Officers

Chairman Pringle explained that it is the custom of the Authority to elect officers to commence their duties for the year on July 1st. He requested that the Board consider Vice-Chair Tom Umberg to serve in the capacity of Chairman and would like to move that as a motion; seconded by Mr. Balgenorth. Chairman Pringle called for the vote.

Motion passed unanimously. (8-0)

Vice-Chair Umberg reviewed that the Board has established a tradition of two Vice-Chairs and made a motion that nominated Commissioner Lynn Schenk be supported for another term and also Member Tom Richards as the other Vice-Chair. Motion seconded by Mr. Balgenorth. Chairman Pringle called for the vote. Motion passed unanimously. (8-0)

Agenda Item # 5 – Presentation by Spanish Partners

The Spanish government provided an informational presentation to help with decisions that the CA High Speed Rail Authority will be making.

There were three areas of focus during this comprehensive presentation. The first was the development of the project and a summary of the transportation sector in Spain and their achievements. The second presentation relayed their strategic plan for transportation infrastructure. The third presentation reviewed the operations of their high speed rail system and contained statistics of travel time, customer satisfaction and operating costs.

Agenda Item # 6 – Member's Report

Chairman Pringle inquired if there were any Board Members that wished to make a report. Seeing none, the meeting moved onto the next agenda item.

Agenda Item # 7 – Chief Executive Officer's Report

CEO van Ark discussed that the day prior marked the one full year from the day he began as the CEO of the High Speed Rail Authority. Although there have been successes and improvements for the project over the previous 12 months, Mr. van Ark wished to acknowledge some of the organization's short-comings and very real challenges in the year ahead.

Obstacles remain with the hiring of staff and not moving more swiftly with this task of having core personnel will not be successful with the implementation of the project. Communication and outreach efforts will remain and improvements will continue. Work will continue on the ridership forecasts and studies to quantify the important benefits within our reporting to the Legislature later this year. Mr. van Ark again clarified the actions taken to ensure that the ridership modeling continues to become more robust, as it is now monitored by an international and independent expert Peer Review Panel. No fundamental flaws have been found with the model which was used in the past by Cambridge Systematics, and the company is performing professionally and to the satisfaction of all.

The major challenges with two large issues remain to be 1) funding and 2) presenting a business model which would be acceptable to major stakeholders and lure private investors.

A brief review of the LAO's Report was presented. On May 25 the DOT submitted a letter to the Authority in which they confirmed their decision, rejecting any possibility to re-negotiate the terms of the funding agreements and confirming their commitment to starting construction in the Central Valley. It is the Authority's understanding that many legislators will continue to work on various solutions for the new governance of the Authority.

A slide presentation was then brought before the Board. The presentation highlighted the budget. It also clarified that definition of the Phased Implementation vs. Blended System on the Peninsula. The next area of discussion was the Initial Construction Section: Procurement Packaging. The final slides provided a report on clarifying the WYE alternatives within the Merced to Fresno section.

The Grapevine team continues to meet with stakeholders to determine whether an alignment is feasible. The Authority will continue to reach out to Kings County. A public speaker from Kings County requested a copy of the administrative draft EIR/EIS. It has been policy and it remains policy and on legal advice, not to distribute copies of draft EIR/EIS documents until they become available. But, such documents will be discussed with the affected stakeholders. On June the 7th, a meeting is set up with the Kings County Board of Supervisors to discuss this document with them as well. A request was made to the County Agriculture Commissioners of Merced, Fresno, Tulare, Kern and Kings Counties to participate in the Ag Working Group and to nominate technical experts. There have not been many answers but they have a joint meeting on June 23rd and 24th and interest may increase after those meetings. On May 16th and 17th there was a visit from the DOT/FRA for a thorough project review. Work continues with the FRA's office of Civil Rights, the DOT's office of Small Business Utilization and DGS and Caltrans to develop procurement strategies that will enhance participation and access to the small business community. A financial services contract award was made to KPMG. A protest was filed by Capitol Partnership LLC and a detailed statement was filed with the process going through the Office of Administrative Hearings. There will not be a hearing and the Administrative Hearing Officer will soon make a decision as to whether we can place the contract with KPMG. On May 11th, the Senate Select Committee on HSR conducted a hearing on the reports filed by the Legislative Peer Review Panel. Mr. van Ark presented and there was general agreement with the progress as well as the risks on the project and there was much talk of the findings of the Legislative Analyst's Office (LAO) report that had come out the day before. It was reported that following the request to improve the outreach in Southern California, there are currently 27 community meetings taking place throughout that section. The goal of the meetings was to ensure that the public is better informed and updated and these meetings are fulfilling the commitment that was made. LA and Anaheim are working hard on their phased implementation approach on the LOSSAN corridor. On May 1st, a joint report was supplied to the Legislature regarding Caltrans ability of supplying staff to do the right of way acquisitions. The response was Caltrans does not have the capacity in their organization to do this work and the recommendation was that it be left to the Authority. During the month of May, there were opportunities to present and participate at the Women's Transportation Seminar, the Maddy Institute and provide a video conference statement for the Kern County tour, and gathering of elected officials and business persons, to which Chairman Pringle was able to participate in person. There was also an opportunity to spend some time with Secretary Ray LaHood and he remains extremely positive about HSR in CA and continues to support California strongly. There was also a very important, but informal, meeting with Mr. Jim Young, Chairman and CEO of Union Pacific Railroad. Mr. Young offered further commitment to working together with the Authority to ensure safe and reliable futures for both the freight and high speed rail activities in California. On May 17th, Chairman Pringle signed a cooperation agreement with the United Kingdom. The United Kingdom is now the ninth country that the Authority has access and abilities to communicate and interact with. Mr. van Ark thanked the Spanish colleagues that were at today's meeting for their time and effort in their commitment to share their experiences with the CA High Speed Rail Authority.

Agenda Item # 8 – Closed Session

Chairman Pringle adjourned the board to closed session at 2:03 pm.

The Board returned from closed session at 2:20 pm. Member Richards announced that there was nothing to report in regards to the closed session.

Meeting adjourned at 2:21 pm.